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# Strapped for Cash

*Non-cash Payments on Louisiana Cotton Plantations, 1865-1908*<sup>1</sup>

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## Abstract

In the late nineteenth century two forms of non-cash payments existed on the Louisiana cotton plantations Lakeview and Theoda: non-cash payments associated with sharecropping, and payments in token money, which could only be redeemed at the company store. Such payments seem to confirm the reputation of the U.S. South as being economically and socially less developed than the Northern states after the American Civil War. The one-crop economy, sharecropping, and token money have been linked to the lack of economic development of Southern agriculture, and to ‘re-enslavement’. This study analyses non-cash payments on Lakeview and Theoda in the same way as similar practices in the Netherlands have been analyzed. It suggests a reinterpretation of the historical economic literature, in which non-cash payments in post-emancipation Southern U.S. agriculture are described as a pre-modern and re-enslaving method.

1 This contribution was created thanks to the Stichting Professor Van Winter Fonds – research project *Truck system in transatlantic perspective: Louisiana and the Netherlands, ca. 1865-1920*. I would like to thank Karel Davids, Hans Krabbendam, Ronald Kroeze, Jan Lucassen, Damian Pargas, Charles Postel, Wybren Verstegen, Jaco Zijderduijn, and the referees of this journal for their comments and additions to earlier drafts of this article. I would also like to thank Michael Strange for her language editing.

# 1 Introduction

In 1938, President Franklin D. Roosevelt called the states in the Southern part of the United States the 'nation's number one economic problem'.<sup>2</sup> In contrast with the Northern states, the Southern states were conservative, pre-modern, and predominantly rural.<sup>3</sup> It was not until after the Second World War that the U.S. South experienced economic growth and diversification.<sup>4</sup> According to American agricultural historian Charles S. Aiken the 'plantations regions were among the cores of economic despair',<sup>5</sup> and the relationship between the former slaves and the plantation owners was part of the economic problem. Especially the rural African American labourers lived in poverty.<sup>6</sup> The U.S. South had the image of being poor, underdeveloped, non-capitalistic, and dependent on producing cotton.<sup>7</sup>

Non-cash payments associated with sharecropping and payments in token money have been linked to the lack of economic development of the Southern agriculture, and to the 're-enslavement' of African American labour. In a modern economy currency is used in exchange for goods, while in a barter economy goods are exchanged for goods.<sup>8</sup> For instance, a sharecropper leased a piece of land from a landowner, which he paid with a fixed percentage of the crop he raised. Non-cash payments fit into the nineteenth century *Naturalwirtschaft-Geldwirtschaft* view of Bruno Hildebrand, who made a division between natural, monetary, and credit economies. The lack of cash in a natural economy meant economic backwardness, and a monetary economy meant economic development.<sup>9</sup> Sharecrop-

2 T.D. Clark, *The emerging South* (New York 1968); B.J. Schulman, *From cotton belt to sunbelt: federal policy economic development, and the transformation of the South, 1938-1980* (London 1997).

3 N.E. Woodruff, 'Rural worlds lost: the American South, 1920-1960, by Jack Temple Kirby', *The American Historical Review* 93 (1988) 790. Woodruff cites Kirby: 'This agricultural "cannot be described as modern in any way, either in the very old sense of being part of the plantation society and the original world economic order or in the new sense of being well capitalized, at least partly mechanized, and connected to metropolitan markets."'

4 R.F. Durden, 'A half century of change in Southern history', *The Journal of Southern History* 51 (1985) 3-14, 11.

5 C.S. Aiken, *The cotton plantation South since the Civil War* (Baltimore 1998) 134.

6 Ibidem.

7 S. Hahn, *The roots of Southern populism: yeoman farmers and the transformation of the Georgia upcountry, 1850-1890* (New York 1984) 4; C. Post, *The American road to capitalism. Studies in class-structure, economic development and political conflict, 1620-1877* (Leiden and Boston 2011) 276-277.

8 D. Moglen, *Real world macroeconomics* (San Diego 2013) 301; R. L. Ransom and R. Sutch, *One kind of freedom: the economic consequences of emancipation* (Cambridge 1977) 93.

9 O. Turunen, 'Ideas of social capital in early German historical economics', *Essays in economic & business history* XXVII (2009) 47-60, 52, 59.

ping consisted entirely of non-cash payments, and became the principal form of labour on cotton plantations after the abolition of slavery. According to Jeffrey Paige, sharecropping was 'associated with low market penetration and relatively low land values', and Ian Ochiltree called sharecropping a 'pre-modern form of labour organization' that could only exist in a society that lacked agricultural modernization.<sup>10</sup>

The first non-cash practice - sharecropping - and the denunciation of it by economists and economic historians, has not been a unique American phenomenon. As Giovanni Federico has outlined, ever since economist Alfred Marshall condemned sharecropping in 1890, historians and economists have debated this labour system in many different countries such as Argentina, England, India, Italy, and Portugal.<sup>11</sup> Also known as the Marshallian theory, the hypotheses were that sharecropping was inefficient, less productive, reduced welfare, and hindered development. However, empirical testing of these many theories has been scarce.<sup>12</sup> An exception is the analysis by Martin A. Garrett Jr. and Zhenhui Xu on the efficiency of sharecropping in the United States between 1880 and 1910. Their findings refute the notion that sharecropping is inefficient. Calculating the differences in productivity between sharecropped, owner-operated, and rented farms, they found that the output elasticity of sharecropped farms was the highest. Their results were statistically significant.<sup>13</sup>

Furthermore, Dutch agricultural historiography can shed new light on the economic arguments about the modernity, or lack thereof, of sharecropping and Southern agriculture in general, in the nineteenth century. Tenancy and sharecropping on grain and tobacco farms in the Netherlands have been denounced in similar Marshallian terms.<sup>14</sup> Dutch agrarian scholar Hendrik Roessingh has employed a rational perspective to counter this 'traditional' negative view of sharecropping, in which he argues that for

10 J.M. Paige, *Agrarian revolution. Social movements and export agriculture in the underdeveloped world* (New York 1975) 373; I. Ochiltree, 'Mastering the sharecroppers: land, labour and the search for independence in the US South and South Africa', *Journal of Southern African Studies* 30 (2004) 41-61, 41.

11 B. Câmara, 'The Portuguese Civil Code and the colonia tenancy contract in Madeira', *Continuity and Change* 21 (2006) 213-233; D.R. Clarke, 'The "land-family bond" in East Sussex, c. 1850-1770', *Continuity and Change* 21 (2006) 341-369; G. Federico, 'The "real" puzzle of sharecropping: why is it disappearing?' *Continuity and Change* 21 (2006) 261-285, 262.

12 Federico, 'The "real" puzzle', 261.

13 M.A. Garrett Jr. and Z. Xu, 'The efficiency of sharecropping: evidence from the postbellum South', *Southern Economic Journal* 69 (2003) 578-595, 578.

14 H.K. Roessingh, 'Garfpacht, zaadpacht en geldpacht in Gelderland in de 17e en 18e eeuw', *Gelre. Bijdragen en mededeelingen* 63 (1968-1969) 72-97, 84.

tenants, sharecropping served as a manner to cover the negative financial consequences of a bad harvest or low crop price.<sup>15</sup> Additionally, he refers to the United States as an example of a country where sharecropping has been negatively assessed by agrarian historians in the same manner as Dutch agrarian historians did.<sup>16</sup>

The second non-cash payment practice generally associated with a lack of economic development includes private token money. Tokens were used widely in the United States in the second half of the nineteenth century.<sup>17</sup> Why did a 'fake' monetary culture exist? According to most American scholars who have researched plantations after the Civil War, payment in tokens was simply a mean to control or 're-enslave' the plantation workforce, because it limited the freedom, the wage level, and the mobility of the workers.<sup>18</sup> However, in the nineteenth century, payments in private token-money occurred in non-slavery related industries as well, for example in the mining industry in West-Virginia and Kentucky.<sup>19</sup> Thus, alternative explanations, beyond re-enslavement arguments, should be sought to explain this phenomenon.

The goal of this article is to examine these two forms of non-cash payments and to determine whether they were examples of an underdeveloped Southern economy. To achieve this I will unravel the practices of two Louisiana cotton sharecrop plantations using insights from Dutch historiography to offer a new perspective on non-cash payments and the theories about the economic development of the U.S. South. First I will describe the lack of modernization of the Southern agriculture, the re-enslavement debate, and the arguments which form the basis of these

15 Roessingh, 'Garfpacht', 85.

16 H.K. Roessingh, *Inlandse tabak. Expansie en contractie van een handelsgewas in de 17<sup>e</sup> en 18<sup>e</sup> eeuw in Nederland* (Wageningen 1976) 259.

17 Ibidem, 287-289; L. Crawford, G. Farber and D.E. Schenkman, *Louisiana trade tokens. A listing and history of the known trade tokens used in the state of Louisiana* (Lake Mary 1996); Rural Life Museum Baton Rouge, Louisiana (RLM), LaCour Plantation Company coupon books; Island Creek Coal Company, 'Company store scrip', <http://www.coalcompanystore.com> (October 30, 2012).

18 L. Ferleger, 'The problem of "labour" in the Post-Reconstruction Louisiana sugar industry', *Agricultural History* 72 (1998) 140-158, 157; L.N. Powell, *New Masters: northern planters during the Civil War and the Reconstruction* (New Haven 1980) 91; J.M. Wiener, *Social origins of the new South: Alabama 1860-1885* (Baton Rouge 1981) 78; H.D. Woodman, *King cotton and his retainers: financing and marketing the cotton crop of the South, 1800-1925* (Lexington 1968) 302.

19 S.E. Brown Jr., *Scrip: trade tokens issued by United States coal companies and company stores* (Berryville 1978); Island Creek Coal Company, 'Company store scrip'; P.V. Fishback, 'Did miners "owe their souls to the company store"? Theory and evidence from the early 1900s', *The Journal of Economic History* 64 (1986) 1011-1029.

views. In the second part I will focus on comparable arguments from Dutch research. Subsequently, I will explain and analyze the data from Lakeview and Theoda's account books. I will address the similarities and differences between the Dutch and American situations, and offer possible explanations. Finally, I will formulate a reinterpretation of the American economic literature on non-cash payments in post-emancipation Southern agriculture.

## 2 Pre-modernity and re-enslavement

The nineteenth century Southern economy has been viewed as being less developed than the economy of the Northern states of the United States.<sup>20</sup> A number of reasons form the basis of this view of the South as a pre-modern region. The Southern economy was pre-modern, it is argued, because the plantation owners held onto their traditional ways of production, and resisted mechanization. The modernization of agriculture did not take place until the passage of the New Deal in the 1930s.<sup>21</sup>

First of all, the South is seen as pre-modern due to the persistence of a 'one-crop economy'. Until the 1930s the U.S. South was predominantly growing cotton. Landowners insisted on cotton, because it generated more cash than other crops. Merchants wanted cotton, because it could be stored without perishing, and thus offered more security.<sup>22</sup> The one-crop economy ensured that farmers could not react to price-incentives and switch to different cash crops, which – according to nineteenth century economic free-market ideology – obstructed economic growth. Furthermore, because farmers only produced cotton, they depended on the plantation store for all their needs and provisions; a far cry from self-sufficiency.<sup>23</sup> According to Charles H. Otken, the landowners: 'reasoned very naturally and very logically, that the more goods sold to farmers the greater their sales and the greater their aggregate profits. This made it impossible for tenants to accumulate enough savings with which to purchase their own land'.<sup>24</sup> According to Jacqueline Bull, 'the establishment of

20 Hahn, *The roots of Southern populism*, 4-5.

21 Ochiltree, 'Mastering the sharecroppers', 41-61; Paige, *Agrarian revolution*, 373.

22 Ibidem.

23 Ransom and Sutch, *One kind of freedom*, 13.

24 C.H. Otken, *The ills of the South, or related causes hostile to the general prosperity of the Southern people* (New York 1894) 57.

the one-crop system in the South was due [...] to lack of knowledge of scientific farming and of capital for experimentation'.<sup>25</sup>

Another reason for the view of the South as being 'pre-modern' has to do with sharecropping, the major system of labour in the U.S. South after the emancipation of the slaves, which emerged as a compromise between plantation owners and former slaves on cotton plantations.<sup>26</sup> After the failure of the land reform act, the former slaves were not able to become landowners, and as sharecroppers they could work more independently than they could as wage labourers.<sup>27</sup> Due to the nature of sugarcane cultivation, sharecropping failed on sugar plantations, and consequently wage labour became predominant there.<sup>28</sup> However, Gavin Wright has stated that: 'throughout most of the South [...] the coexistence of sharecropping and wage-labour prevailed not just between districts but within each plantation. The typical planter divided his total acreage into portions assigned to sharecroppers, portions rented out to tenants, and a portion retained for himself and cultivated by wage labour'.<sup>29</sup>

Sharecroppers paid their rent after the harvest with a share of the crop. Typically a share of the crop was between one-third and one-half of the harvest.<sup>30</sup> Since the sharecroppers did not have an income until after the harvest, the landowners provided the supplies and tools they needed to plant the crop along with the provisions they needed during the year to sustain themselves and their families. The cost of products provided was later added to the amount of the rent due. Sharecroppers received credit through the 'crop lien' system, which was implemented by law: 'the laws

25 J.P. Bull, 'The general merchant in the history of the New South', *Journal of Southern History* (1952) 37-59, 42.

26 Ransom and Sutch, *One kind of freedom*, 93; O.V. Burton, D. Herr and M. Cheney, 'Defining Reconstruction', in: L.K. Ford (ed.), *A companion to the Civil War and Reconstruction* (Cornwall 2005) 10; H.H. Donald, *The negro freedman: life conditions of the American negro in the early years after emancipation* (New York 1952) 17.

27 B. Moore jr., *Social origins of dictatorship and democracy* (Boston 1967) 145-146; L.K. Ford (ed.), *A companion to the Civil War and Reconstruction* (Cornwall 2005) 13; E. Foner, *Reconstruction: America's unfinished revolution* (New York 1988) 105; Moore, *Social Origins*, 147.

28 J.C. Rodrigue, 'The Freedmen's Bureau and wage labour in the Louisiana sugar region', in: P.A. Cimbala and R.M. Miller (eds.), *The Freedmen's Bureau and Reconstruction: reconsiderations* (New York 1999) 201; J.C. Sitterson, *Sugar country. The cane industry in the south, 1753-1950* (Kentucky 1953) 240.

29 G. Wright, *Old South, New South: revolutions in the Southern economy since the Civil War* (New York 1986) 91-92.

30 Ransom and Sutch, *One kind of freedom*, 93.

stipulated that anyone who provided supplies or money to purchase supplies, necessary to produce a crop received a lien on that crop when gathered'.<sup>31</sup> The lien meant that sharecroppers received credit from a merchant with the harvest of the coming year as underlying asset. Meanwhile, they could not deal with other merchants. In Louisiana these crop lien laws were passed in 1867, two years after the Civil War and the emancipation of the slaves.<sup>32</sup>

As mentioned in the introduction, sharecropping has been associated with a lack of modernization and market integration. It slowed down development, and was a sign of a society that responded irrationally to market forces.<sup>33</sup> According to Ochiltree sharecropping emerged when the Southern 'economy and infrastructure of the countryside was in ruins', and disappeared when it modernised in the 1930s.<sup>34</sup> Garrett and Xu, however, have shown that sharecropping was efficient, and suggest that it created incentives among farmers, which offers an explanation for its rapid and widespread use in the postbellum South.<sup>35</sup>

The final argument supporting the view that the Southern economy was 'pre-modern' is the existence of an extended 'private money culture'. Employers issued checks or tokens, which were only redeemable in an assigned store.<sup>36</sup> Economic development can be traced by looking at an existing monetary culture. When the use of money is avoided, the economy is generally considered underdeveloped. Tokens had many functions: to pay labourers, to force labourers to purchase at a particular store, to designate an amount of work done, as a medium of exchange after a pre-payment, or to extend credit. The classic interpretation is that token money was used only at plantations with wage labourers, because sharecroppers relied completely on credit. Lawrence Powell stated that: 'if the payment was daily it was usually in tickets that could be exchanged at the store'.<sup>37</sup>

31 H.D. Woodman, *New South, New Law: legal foundations of credit and labour relations in the postbellum agricultural South* (Baton Rouge 1995) 5.

32 Ibidem.

33 L.E. Davis, R.A. Easterlin, W.N. Parker et al, *American economic growth: an economist's history of the United States* (New York 1974) 64.

34 Ochiltree, 'Mastering the sharecroppers', 41-61; Paige, *Agrarian revolution*, 373.

35 Garrett and Xu, 'The efficiency of sharecropping', 578.

36 Other names for private money are plantation money, scrip, due bills, flickers, and *brozine*.

37 Powell, *New Masters*, 92.



Examples of private money have been found on plantations in Puerto Rico, India, and the former Dutch Indies Borneo, Java, and Sumatra.<sup>38</sup> A testimony to the widespread use of tokens in the United States is the Southern Coupon Company, which produced coupon books to be used as money. Located in Birmingham, Alabama, the company delivered coupons to companies such as the Island Creek Coal Company in Kentucky, and the La-Cour Plantation Company in Louisiana, located almost 700 kilometers from Birmingham.<sup>39</sup> Clearly, private money was not a local phenomenon in the United States South, but was used throughout the country in different sectors.

Further evidence for the spread of token money is the emergence of a new type of credit business. In the U.S. a specialised industry emerged to facilitate the use of token money. In 1909, the brothers David E. and Edwin H. Ingle from Dayton, Ohio, working through their Ingle System Company received a patent for a cabinet to be used in retail grocery stores where credit business was done. According to the patent description:

'the cabinet affords a convenient means for dispensing the checks and receiving them and does away with the necessity of keeping a book to denote the various sales and credits thereon, also obviates the necessity of adding columns of figures with the incidental risk of errors'.<sup>40</sup>

The checks, or tokens, were constructed of sheet metal or celluloid and given to a person who was seeking credit. Then:

'[...] a check credit slip is made out by the clerk with the name of such person thereon and the money value of the checks given, and is placed in the drawer of that particular clerk. These checks are subsequently received from such person or others sent to the store by him, in payment for goods until said checks are exhausted'.<sup>41</sup>

In summary, the one-crop economy, sharecropping and the private money culture have been incorporated into the debate on the pre-modernity of

38 L.A.R. Vázquez, *Puerto Rico coffee and sugar cane plantation tokens* (Ponce 2011); R. Zaalberg, *Oeang, Ruil- en betaalmiddelen in Indië. Catalogus ter gelegenheid van de 300e bijeenkomst van de numismatische kring Oost-Nederland* (Arnhem 1999) 155-178.

39 LRM, LaCour; Island Creek Coal Company, 'Company store scrip'.

40 D. E. Ingle and E. H. Ingle, 'United States Patent Office. Check-cabinet'. July 13, 1909 (<http://www.google.com/patents/US927799> (October 18, 2012)).

41 Ibidem.

Southern agriculture, and all three have been linked to re-enslavement as well. The question whether the living conditions of the freedmen improved after emancipation has occupied American authors since the 1950s. Authors such as C. Vann Woodward and James McPherson argue that the situation of the freedmen in the Reconstruction period improved compared to slavery, because their greater political opportunities and the knowledge of being free caused an inner revolution. Other authors such as John Hope Franklin and Richard Bense believe that no big changes occurred, and that the living conditions and the dependent relationship with former masters were comparable to those during slavery. The situation has been described by Douglas A. Blackmon as 'slavery by another name'.<sup>42</sup>

The crop lien laws ensured that sharecroppers could only make purchases on credit in an assigned store.<sup>43</sup> The high interest rates in the store resulted in debts that were hard to pay off.<sup>44</sup> Because of this lingering debt in the following year, the labourers' debt was even higher. This continuing debt – or debt cycle – immobilised them: labourers could not leave the plantation without paying their debt in full, due to the implementation of the Contract Enforcement Law. All freedmen were forced to sign a labour contract, or they were considered vagrants and arrested or punished.<sup>45</sup> These laws were voided by the 14<sup>th</sup> Amendment, but in 1870 new Vagrancy Acts were adopted. Furthermore, the Enticement Laws made breaking a labour contract a criminal offence, and the False-Pretenses Act made it a

42 D.A. Blackmon, *Slavery by another name. The re-enslavement of black Americans from the Civil War to World War II* (New York 2008); J.H. Franklin, *Reconstruction: After the Civil War* (Chicago 1961); J. McPherson, *Abraham Lincoln and the Second American Revolution* (New York 1991); J. McPherson, *Battle cry of freedom: the Civil War era* (New York 1988); Woodman, *New South*, 87-88; C. Vann Woodward, *Origins of the New South 1877-1913* (Baton Rouge 1951).

43 In other countries called the 'truck system', which is part of my PhD project 'Truck system in transatlantic perspective: Louisiana and the Netherlands, ca. 1865-1920.' Consequently, I will not discuss the truck system further in this article.

44 E.L. Ayers, *The promise of the New South* (New York 1992) 9; P. Daniel, *The shadow of slavery: peonage in the South, 1901-1969* (1972); Donald, *The Negro freedman*, 10-16; L. English, 'Recording race: General stores and race in the late nineteenth century Southwest', *Southwestern Historical Quarterly* 110 (2006) 192-217; L. Gates, 'Frankly, Scarlett, we do give damn: the making of a new national park', *The George Wright forum* 19:4 (2002) 32-43; J.R. Mandle, *Not slave, not free. The African American economic experience since the Civil War* (Duke 1992) 20-23; J.M. Wiener, 'Planter-merchant conflict in Reconstruction Alabama', *Past & Present* 68 (1975) 73-94, pp 83; H.D. Woodman, 'Sequel to slavery: the new history views the postbellum South', *Journal of Southern History* 43 (1977) 525-555, pp 546; G. Wright, *The political economy of the cotton South: households, markets, and wealth in the nineteenth century* (New York 1978).

45 W. Kloosterboer, *Involuntary labour since the abolition of slavery. A survey of compulsory labour throughout the world* (Leiden 1960) 57.

crime to break a contract if one had entered the agreement with the intention of violating it.<sup>46</sup> Leaving a plantation without paying off the debt was considered breaking a contract. Consequently, the labourers lacked the freedom to find better economic opportunities, and to choose the employer. Deirdre McCloskey argues that: 'the exploitation from de jure serfdom – or de jure debt peonage or de jure slavery or the de jure subordination to the great power of a capitalist mill owners – depends on the de facto immobility of the victim'.<sup>47</sup>

Furthermore, sharecroppers were not self-sufficient, due to the fact of a one-crop economy.<sup>48</sup> According to Wright and Kunreuther sharecroppers who were unwilling to focus on cotton were forced to do so 'by monopolist merchants who insisted on heavy commitment to cotton as precondition to credit'.<sup>49</sup>

Thirdly, when labourers were paid in tokens they were not free to spend their earnings wherever they wanted. In some instances, payment in private money caused labour protest. For example, the 'Greenback song',<sup>50</sup> quoted by the historian Dorothy Sterling, was part of a successful labour protest on rice fields along the Combahee River in South Carolina in 1876 against payment in checks, which were only redeemable in goods in the plantation store:

'We are not afraid to work, we will labour every day. All we want is the greenback. When the day's work is ended, come and bring the pay. All that we want is the greenback. Greenbacks, forever, planters come. Up with the greenback and down with the check. We will labour in your fields from the morning until night. All we want is the greenback. G.G. Martin, don't you know that we told you at the store, all that we want is the greenback? Henry Fuller, don't delay. J.B. Bissell, what you say? All we want is the greenback'.<sup>51</sup>

46 W. Cohen, 'Negro involuntary servitude in the South, 1865-1940', *The journal of Southern history* 42 (1976) 31-60, pp 33-49.

47 D. McCloskey, 'The economics of choice: neoclassical supply and demand', in: T. Rawski (ed.), *Economics and the historian* (Berkeley and Los Angeles 1995) 122-158, pp 131.

48 Bull, 'The general merchant', 41-42; Powell, *New masters*, 87; G. Wright and H. Kunreuther, 'Cotton, corn, and risk in the nineteenth century', *Journal of Economic History* 35 (1975) 526-551.

49 Wright and Kunreuther, 'Cotton, corn, and risk', 536, 548.

50 The greenback was a green fiat currency issued in the North of the U.S. during the American Civil War.

51 The lyrics above are from the 'Greenback Song', a parody of the war song 'Marching through Georgia'. Quoted in D. Sterling, *The trouble they seen: black people tell the story of reconstruction* (New York 1976) 288.

Tokens were usually not redeemable for cash, but if they were, it was only at specific times. For example, the checks paid to the rice labourers in South Carolina ‘could not be turned into cash money for as long as four years from date of issue’.<sup>52</sup> At times labourers would try to sell the tokens to get cash, but the plantation owners tried to prevent this practice by placing terms such as ‘not transferable’ on the tokens, or by including the text: ‘good only when presented by authorised party’.<sup>53</sup> Some coins could only be used for one certain product, for example bread, meat, or flour. Another type of scrip money was due bills, which looked like paper bank checks, but were only redeemable for merchandise or rations in the store.<sup>54</sup>

According to Powell, Louis Ferleger, and Jonathan Wiener, payment in tokens was a control mechanism: owners wanted to ensure that the former slaves made all their purchases in the plantation store in order to exploit and immobilise them.<sup>55</sup> This argument holds that the former slaves were not free to spend their earnings wherever they wanted and were thus re-enslaved.<sup>56</sup>

What alternative explanations, beyond re-enslavement efforts, can be given for the existence of this private money culture? First, payment in coins was not practical, since employers did not have many coins in stock. The United States were experiencing a shortage of cash. From its founding, they suffered from a lack of gold and silver. Most coins in circulation were minted in the former Spanish colonies.<sup>57</sup> In the period 1834–1873 the price of silver in the United States was higher than the U.S. Mint was able to pay, and few silver coins were minted. Companies, entrepre-

<sup>52</sup> Ibidem.

<sup>53</sup> Crawford et al, *Louisiana trade tokens*, 7.

<sup>54</sup> Louisiana and Lower Mississippi Valley Collections (LLMVC), LSU Libraries, Baton Rouge, Louisiana, Uncle Sam Plantation Papers, Mss. 408 (USPP), Series III: Labour Materials, time checks.

The names of due bills vary per plantation: *merchandise ticket*, *rations check*, *check*, *promissory notes* and *coupons*.

LLMVC, Allendale Plantation Records, Mss. 3824 (APR); LLMVC, Benjamin Tureaud Family Papers, Mss. 427, 560, 794, 811, 1100 (BTFF); LLMVC, George W. Bennett Account Books and Papers, Mss. 1010 (GWBABP); LRM, LaCour.

<sup>55</sup> Ferleger, ‘The problem of “labour”’, 157; Powell, *New masters*, 91; Wiener, *Social origins*, 78; Woodman, *King cotton*, 302.

<sup>56</sup> Powell, *New masters*, 91; Wiener, *Social origins*, 78; Woodman, *King cotton*, 302.

<sup>57</sup> S. Mihm, *A nation of counterfeiters: capitalists, con men, and the making of the United States* (Cambridge 2007) 108.

neurs, and other employers stepped in and created their own small-denomination money.<sup>58</sup> When money was scarce, for example, in times of war, many employers switched to payment in vouchers.<sup>59</sup>

During the American Civil War, the Union – the Northern states – encouraged unification among the states by creating a national banking system that regulated money with ‘a uniform currency of national bank notes secured by U.S. bonds deposited with the treasurer of the United States.’<sup>60</sup> The United States Congress had been aware of the existence of private money, and forbade the issuance and free circulation of denominations smaller than one U.S. dollar in 1862: ‘no private corporation, banking association, firm, or individual shall make, issue, circulate or pay any note, check, memorandum, tokens, or other obligation, for a less sum than one dollar, intended to circulate as money or to be received or as used in lieu of lawful money of the United States’.<sup>61</sup>

Employers responded by issuing private money that was redeemable in merchandise, since the Congress forbade private money intended for use as U.S. dollars.<sup>62</sup> Terms such as ‘non transferable’ on the tokens was a natural step for the landowners, since exchanging them for cash, and circulating them as currency was forbidden.

After the Civil War the U.S. South suffered from an even greater general capital shortage. Confederate bonds had become worthless, and U.S. dollars were almost impossible to acquire. In the 1870s the U.S. suffered a financial crisis and from 1865 to 1879, the money supply grew at a slow pace. The banking sector in the U.S. South was destroyed, making it hard for farmers and landowners to borrow money to pay the former slaves. It was not until 1890 that the United States developed national financial institutions capable of moving capital easily from one region to another.<sup>63</sup>

Moreover, according to Gerald David Jaynes, the plantation owners

58 B. Champ, ‘Private money in our past, present, and future’, *Economic Commentary*. January 1, 2007, <http://www.clevelandfed.org/Research/commentary/2007/010107.cfm> (October 19, 2012).

59 Payment in vouchers also occurred during World War I and II in the Netherlands: J. Lucassen, ‘Loon en muntcirculatie in Nederland 1200-2000’, *Jaarboek voor munt- en penningkunde* 86 (1999) 1-69, pp 30.

60 J.H. Wood, *Central banking in Great Britain and the United States* (New York 2005) 153-154.

61 Quoted by Champ, ‘Private money in our past’ from the Acts of Congress, 12 Statutes at Large, 592, July 17, 1862.

62 Champ, ‘Private money in our past’.

63 W.J. Cooper and T.E. Terrill, *The American South: A history, Vol II* (Baton Rouge 2009) 457-458; Ochiltree, ‘Mastering the sharecroppers’, 41-44, 60.

'simply didn't have money to pay the labourers', a result of the credit crisis of the 1870s.<sup>64</sup> To avoid having to use cash, they paid their labourers in plantation money. Finally, payment in tokens simplified the bookkeeping and lost tokens did not represent a significant financial loss.<sup>65</sup>

### 3 Dutch and American pre-modernity and (re-) enslavement compared

The cultivation of tobacco in the Netherlands had certain aspects comparable to cotton production in the U.S. South. Both crops could be preserved, and were thus suitable for sharecropping. Both were grown on farms, and both were cash crops. Furthermore, in the Dutch historical literature, a comparable pre-modern and exploitative image of agriculture and sharecropping existed until the 1960's and it was associated with non-cash payments, and backed up with the same arguments against such payments.<sup>66</sup>

One of the critiques of sharecropping revolved around the obligation of the farmers in the Netherlands to produce only certain crops of grain and tobacco in the period ca. 1600 until ca. 1870. This argument is similar to the argument against the American one-crop economy.<sup>67</sup> Dutch research has shown that only *in theory* Dutch croppers paid their rent with the agreed crop. Wybren Verstegen has shown that when Dutch labourers were unable to pay outstanding rents, they found other non-cash ways to settle accounts. They paid their rent with products other than the crop that they had contracted to cultivate, for example with chickens or garments. In some instances they lowered such debts by performing tasks for the land-owners, such as cutting, chopping, and transporting wood.<sup>68</sup> According to

64 G.D. Jaynes, *Branches without roots: genesis of the black working class in the American South* (New York 1996) 226.

65 Crawford et al, *Louisiana trade tokens*, 7.

66 Roessingh, 'Garfpacht', 84-85; S.W. Verstegen, 'Het beheer van de bezittingen bij het Huis Hackford 1803-1970', in: F.K. Buisman (ed.), *Hackford. Huis & landgoed* (Utrecht 1998) 130-134; K. Verrips-Roukens, *Over heren en boeren. Een Sallands landgoed 1800-1977* (Den Haag 1982) 61; P.J. van Cruyningen, *Landgoederen en landschap in de graafschap* (Utrecht 2005) 83, 103. They argued that sharecropping in the Netherlands continued well into the nineteenth century. It lasted at least until ca. 1865-1870 when cash tenancy became official, but in some cases it existed even longer.

67 Verstegen, 'Huis Hackford', 131.

68 Ibidem, 131-132.

Kitty Verrips-Roukens every cropper worked a few days a year for the landowner.<sup>69</sup> The amount earned was deducted from the amount of rent due.<sup>70</sup> As a result, sharecroppers were more independent of the landlord than cash tenants in terms of indebtedness.

Dutch scholar and agricultural reformer Staring has put forward another critique. He argued that sharecropping in the eastern part of the Netherlands between 1600 and 1800 slowed down economic development and innovations, and that sharecropping had a demoralizing effect on the peasants. He added that the principle of sharecropping was wrong under all circumstances.<sup>71</sup>

Roessingh disproved Staring's arguments by showing that sharecropping in the seventeenth and eighteenth century in the eastern part of the Netherlands did not slow down economic development and agricultural innovations. He showed that sharecropping provided benefits and helped croppers adapt to economic and social circumstances. Sharecropping spread the risks between the sharecropper and the landowner.

For instance, the price of tobacco depended heavily on the market. Prices fluctuated regularly, causing rents to move up or down. When cash tenancy was chosen over sharecropping, the landlord and the tenant risked paying or receiving relatively more or less cash each year. With sharecropping, the percentage of the crop to be given to the landlord remained the same, and depended solely on the harvest. The risks of price changes were divided between the landlord and the sharecropper. Thus, sharecropping limited the cropper's risks in comparison with cash tenancy.

Furthermore, sharecropping gave the farmer flexibility in the ways debts could be paid off. Landowners in the eastern Netherlands wanted to shift from sharecropping to cash tenancy, but were not able to do so until late in the nineteenth century because of the difficulties their tenants faced in paying their rent.<sup>72</sup> Sharecropping gave the landlord and the sharecroppers a certain flexibility. The sharecroppers were still able to pay rent even when they lacked cash. Contrarily, when harvests were poor and prices of crops fell, cash tenants were not able to pay their rent, thus creating greater dependence on the generosity of the landlord.<sup>73</sup> Consequently, a sharecrop farm was able to sustain itself better in unfavourable economic times.

69 Verrips-Roukens, *Over heren en boeren*, 60.

70 Verstegen, 'Huis Hackford', 133; Verrips-Roukens, *Over heren en boeren*, 60.

71 Roessingh, 'Garfpacht', 72-97, 84.

72 Verstegen, 'Huis Hackford', 130-132.

73 Ibidem, 130-134.

Moreover, the provision of tools and manure by the landowners was an adaptation to the economic environment. Dutch research shows that sharecroppers in the Netherlands incurred debt because the owner of a tobacco farm – just as the owner of a Louisiana cotton plantation – provided the sharecropper with, for example, fertilisers, a barn for storage, and cash advances for life necessities. Without credit the croppers could not grow their crop. Thus, Roessingh argues that sharecropping was an adaptation and a response to the economic environment and *stimulated* the success of the production of tobacco. Sharecropping was not a ‘backward’ institution, but a precondition for the success of the cultivation of cash crops.<sup>74</sup>

Thijs Lambrecht approached these practices in the eighteenth century Southern Low Countries labour market as ‘reciprocal exchange’, which is defined as ‘informally enforced agreements to give goods, services, information, or money in exchange for future compensation in kind.’<sup>75</sup> Harold Woodman argued the same for the crop lien laws in the U.S.: ‘the authors of the first lien laws [...] were convinced that the new laws would indeed encourage agriculture’.<sup>76</sup> They were meant to rebuild the region’s agricultural economy after the Civil War, and feed the population. Sharecroppers needed seed, tools, food, and other supplies. Without credit through the crop lien system, they were not able to get a loan, and consequently not able to grow their crop.

The Dutch arguments in favour of the development of the economy and the social implications of the one-crop economy and sharecropping may be valid for cotton plantations as well. However, an important difference between Dutch and American agriculture is the use of token money. The Dutch landowners in the grain and tobacco industries did not create and use private money. In the section below I will address this difference and offer a possible explanation.

## 4 Lakeview and Theoda

Using insights from Dutch historiography this article examines the situation on two cotton plantations in Louisiana, in the U.S. South. Louisiana is an interesting case study because it was one of the first Southern states to

74 Roessingh, ‘Garfpacht’, 73; Roessingh, *Inlandse tabak*, 251, 254-255, 257-258.

75 T. Lambrecht, ‘Reciprocal exchange, credit and cash: agricultural labour markets and local economies in the Southern Low Countries during the eighteenth century’, *Continuity and Change* 18 (2003) 237-261, pp 238.

76 Woodman, *New South, New Law*, 5.



experiment with free labour during the Civil War.<sup>77</sup> Furthermore, sharecropping was deeply rooted in the one-crop cotton areas, and an extensive private money culture existed.

My empirical analysis below is based on legislative sources, several volumes of *Poor's manual of the railroads of the United States*, an interview with two former sharecroppers, extant token money, a sharecrop contract, newspaper articles, and account books from two cotton plantations.<sup>78</sup> The analysis of cotton plantations in Louisiana has been constrained by the availability of data. The account books from Lakeview and Theoda have remained intact, cover multiple decades, and contain information on the payments of labourers.

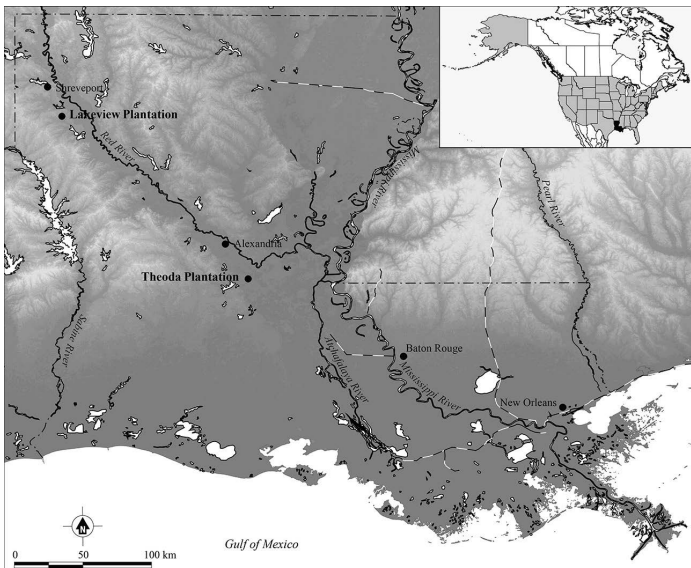


Figure 1. Map of Louisiana ca. 1875. Including Lakeview, Theoda, the Red River, and the Mississippi river

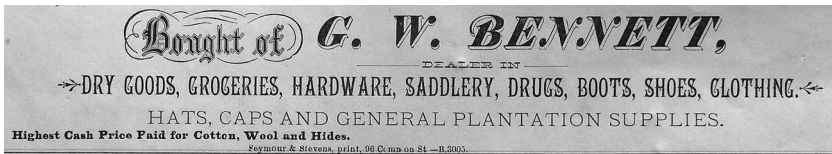
Source: Map made by Jaap Fokkema, VU University. Railroads based on descriptions in: H.V. Poor, *Poor's manual of the railroads of the United States*, volume 15 (1882).

77 E. Foner, *The fiery trail: Abraham Lincoln and American slavery* (New York 2011) 285-286.

78 During a six month stay in Louisiana I visited several archives and plantations. I worked through the entire Louisiana acts from 1865 to 1920. The tokens money that I use are all I found in the archives (Lower Louisiana and Mississippi Valley Collections, LSU Rural Life Archives, West-Baton Rouge Museum Archives), in private collections (collection of Marty Young, Director of the Pioneer Heritage Center), and the plantations (Magnolia Plantation, St. Joseph Plantation) that I have been to. The account books from Lakeview and Theoda are the most intact books from cotton plantations that I came across, and they cover a large period (Theoda 1870-1906; Lakeview 1880-1924).

However, Theoda and Lakeview were not typical American sharecrop plantations. They were part of relatively large, centrally organised companies, while the majority of cotton in the U.S. South was produced on small farms, not by large producers.<sup>79</sup> I chose to analyze Lakeview and Theoda because both plantations were part of big businesses, and the owners had created their own private token-money. The latter is remarkable, because the plantations were run by sharecroppers, and so far token-money has only been associated with wage labour.<sup>80</sup> The existence of these hybrid cotton plantations that relied on sharecroppers *and* used token money shows that the Southern economy was rather complicated.

Theoda plantation was part of the big and thriving business of George W. Bennett (ca. 1851-1906) in Cheneyville in Rapides Parish, Louisiana. Bennett was a merchant, plantation owner, cotton dealer, and postmaster.<sup>81</sup> His plantation business consisted of a sugarcane and cotton plantation with a cotton gin, and a plantation store. The G.W. Bennett store offered 'dry goods, groceries, hardware, saddlery, drugs, boots, shoes, clothing, hats, caps and general plantation supplies'.<sup>82</sup>



*Illustration 1. Header text on a receipt from the plantation store owned by G.W. Bennett, 1884*

Source: LLMVC, GWBABP, box 6, folder 8, Financial Records.

Lakeview plantation was part of the cotton farm and sawmill community of Frierson, founded in 1850 by Dr. George P. Frierson. The Frierson Country Store began operations in 1892.<sup>83</sup> The plantation store at Lakeview bought cotton in exchange for goods. It was an institution that offered

79 Woodman, *New South*, 6.

80 J.C. Rodrigue, *Reconstruction in the cane fields: from slavery to free labour in Louisiana's sugar parishes 1862-1882* (Baton Rouge 2001); Ferleger, 'The problem of "labour"', 157; Powell, *New masters*, 91; Wiener, *Social origins*, 78; Woodman, *King cotton*, 302.

81 United States Census 1860 and 1900, <http://www.censusrecords.com/> (August 12, 2013).

82 LLMVC, GWBABP, box 6, folder 8, receipt 1879.

83 LSU-Shreveport Archives and Special Collections (SASC), Shreveport, Louisiana, Frierson Company Records no. 009 (FCR), Newspaper clippings, C.C. Phillips, '85-Year-Old Frierson General Store'.

credit to its customers: the sharecroppers at Lakeview who expected the store to finance their operations. They would buy their seed, farm supplies, groceries and clothing on credit, and pay after they harvested and sold their crop in the fall.<sup>84</sup>

Just as in the Netherlands, the account books of Theoda and Lakeview showed that economic development was not hindered by the one-crop economy that existed in the U.S. South until the 1930s. Theoda's documents show that the one-crop economy did not make the plantation economy necessarily inflexible.<sup>85</sup> At first sight, it looks as if the one-crop economy was in full swing at Theoda. A sharecrop contract from 1878 states that tenants could only use cotton to pay off their debt. At the end of the year the tenant had to 'deliver his entire crop of cotton to secure payment of supplies and merchandise' with an interest rate of eight per cent.<sup>86</sup> Thus, the more a sharecropper owed to the store, the more cotton he had to produce, making him in turn more dependent on the store for foodstuffs.<sup>87</sup>

If the one-crop economy truly ruled on Theoda plantation, it should be traceable in the transactions in the account books as well. For the empirical analysis of the account books, I have selected a random sample of labourers.<sup>88</sup> The ledgers of Theoda plantation show that sharecroppers lowered their debt to the store by delivering goods other than cotton, and that they performed extra work for the landowner.<sup>89</sup> For example, on October 2, 1871, African-American labourer Walton Dodson paid plantation owner George Bennett \$5.00 worth of hay, and on April 5, 1872 paid \$3.12 worth of corn. On November 13 1872, he lowered his debt by \$1.50, after going to Red River to work for one day. On December 25, his debt totalled \$51.81.<sup>90</sup> Thus, sharecroppers at Theoda plantation were not paying off their debts only in cotton, and the one-crop economy was not as firmly entrenched in practice at this plantation as it appeared on paper.

The ledgers of Lakeview plantation show that the Frierson Brothers store also accepted products other than cotton from sharecroppers in ex-

84 Ibidem.

85 Unfortunately, 1873 and 1878 are the only years for which sharecrop contracts have been found.

86 LLMVC, GWBABP, box 7, folder 1, Tenant contract 1878.

87 These findings are in correspondence with Wright and Kunreuther, 'Cotton, corn, and risk', 540; Ransom and Sutch, *One kind of freedom*, 13.

88 Selected a random sample in SPSS.

89 LLMVC, GWBABP, Correspondence, Walton Dodson to G.W. Bennett 1871-1872 and Ledger 1871-1872, pp 26-27.

90 U.S. Census 1880 (<http://www.censusrecords.com/record?id=usc%2fi880%2fi000122492683> August 6, 2013); LLMVC, GWBABP, Correspondence.

change for supplies, tools, and merchandise. In addition to cotton, sharecroppers paid their debt or their rent with bricks, corn, beef, hogs, wood, nails, rice, rails, toll tickets, and also with performed work, such as ginning, hauling, slaughtering, and clearing land.<sup>91</sup> These practices are in accord with statements from Marty Young, who said that sharecroppers were not only paid in kind through the plantation store, but - the other way around - they paid the store in kind as well.<sup>92</sup> According to Young, the workers made products during winter time, such as wooden nails, which they exchanged for other products in the store. A newspaper article from 1990 reported: 'the store not only sold, but it bought'.<sup>93</sup> Furthermore, Thomas Clark stated that: 'cash was scarce in the South, and especially in the rural districts, customers offered produce for exchange in lieu of money'.<sup>94</sup> In the Netherlands, Lambrecht argued that a lack of coins could not fully explain the wage payment structures on eighteenth century farms in the Southern Low Countries. He emphasised the convenience of non-cash payments: 'it was far easier to settle accounts once a year. Once or twice a year the farmer and the day labourers compared accounts, and their wages were cancelled against goods and services delivered'.<sup>95</sup> The exact same practice is visible in the account books of Lakeview and Theoda.

There is an important difference between the Dutch and American farms, however: sharecroppers from Cannenburg in the Netherlands were able to sell their grain themselves in the markets in surrounding towns without the involvement of the landowner, and all kinds of goods were available in different stores in the villages.<sup>96</sup> In Louisiana this was not the case due to the isolation of the plantations and the crop lien law: sharecroppers *had* to use the plantation store.<sup>97</sup> Furthermore, the American

91 SASC, FCR, Ledger 1880 and 1888. The ledgers after 1888 show a decline in the variety of non-cash payments. The first decade of the 20th century shows only the exchange of cotton, seed, cash, work, and corn for supplies, tools and merchandise received: SASC, FCR, Ledger 1897, 1902, 1907, 1911.

92 Director of the Pioneer Heritage Center in Shreveport, interview October 18, 2011.

93 SASC, FCR, Newspaper clippings.

94 T.D. Clark, *Pills, petticoats and plows: the southern country store* (Indianapolis 1964) 8.

95 Lambrecht, 'Agricultural labour markets', 243.

96 H.K. Roessingh, 'Beroep en bedrijf op de Veluwe in het midden van de achttiende eeuw', *A.A.G. Bijdragen* 13 (1965) 181-274; S.W. Verstegen en J.L. van Zanden, 'Landbouwers als ondernemers. Vier landbouwbedrijven op de Veluwe in de negentiende eeuw (1808-1867)', *Jaarboek voor de geschiedenis van bedrijven en techniek* 4 (1987) 85-105, 91.

97 However, the obligation to use the store of the employer (the truck system) existed in industries in the Netherlands outside the agricultural sector, such as in the peat, textile, and brick production.

interest rate on the credit provided was high and double pricing occurred, which resulted in debts that were extremely hard or impossible to pay off.<sup>98</sup> The debt cycle was further encouraged by the vagrancy laws.<sup>99</sup> Another crucial difference is that in the Netherlands several *boerenleenbanken*, or 'farmer credit banks', were created after 1896 in response to the agricultural depression and lack of credit facilities for farmers.<sup>100</sup> In contrast, the American farmers remained dependent on the merchants for credit.

Furthermore, the debt cycle was enforced by the illiteracy of the croppers. Roessingh argues that sharecropping was more transparent than cash tenancy, since the croppers knew exactly what they were expected to pay the landlord at the end of the year. It was in this sense – the argument goes – that sharecropping fulfilled a useful function for the poor and minimally educated peasants and tobacco labourers.<sup>101</sup> This transparency argument is not applicable to the situation of the plantation workforce in the U.S. South. Illiteracy in the U.S. South was considerably higher than in the east of the Netherlands.<sup>102</sup>

Since many freedmen were illiterate, they could not check the accuracy of their accounts. That is why Thomas Clark stated that the freedmen were soon: 'back in slavery, not to a plantation master, but to a conscienceless counter book.'<sup>103</sup> According to Bull, some of the freedmen were nevertheless good businessmen and knew exactly how their account stood.<sup>104</sup> Others claimed that they were being cheated all the time. According to Henderson Harold Donald, the freedmen were 'not always correct in their claims that they were being cheated by their landlords'.<sup>105</sup> Because of their lack of business experience they did not understand the meaning of supply

98 Daniel, *The shadow of slavery*; Donald, *The Negro freedman*, 10-16; English, 'Recording race', 192-217; Gates, 'Frankly, Scarlett', 32-43; Mandle, *Not slave, not free*, 22-23; Wiener, 'Planter-merchant conflict', 83; H.D. Woodman, 'Sequel to slavery', 546; Woodman, *New South*, 6-7; Wright, *The political economy*.

99 Kloosterboer, *Involuntary labour*, 57.

100 K. Sluyterman, J. Dankers, J. van der Linden and J.L. van Zanden, *Het coöperatieve alternatief. Honderd jaar Rabobank 1898-1998* (Den Haag 1998) 19-25.

101 H.K. Roessingh, *Inlandse tabak*, 251, 257-258.

102 O. Boonstra, Regionale verschillen in de daling van het analfabetisme in Nederland 1775-1900 (Working paper of the Scientific Research Community Historical Demography 2009) 15; M.C. Carnes, J.A. Garraty and P. Williams, *Mapping America's past. A historical atlas* (New York 1996) 176.

103 Clark, *Pills, petticoats and plows*, 10.

104 Bull, 'The general merchant', 52.

105 Donald, *The Negro freedman*, 16.

and demand. 'It was often difficult to make them understand that they had not been swindled'.<sup>106</sup> However, some planters did take advantage of their uneducated workers and customers by dishonest bookkeeping.<sup>107</sup> Thus, the accuracy of the account books of the store has been questioned, but according to Bull the general rule was that they were rather carefully tabulated.<sup>108</sup> From these statements it becomes clear that settling time was not as transparent for the sharecroppers in the U.S. South as it was for Dutch tenants.

Because sharecropping avoided the use of money, the plantation economy seemed underdeveloped. However, non-cash payments were actually registered in the account books in monetary prices.<sup>109</sup> Consequently, there existed a disparity between the psychological and practical economic development: sharecropping did not slow down the economic development in the mind of the landlord. Far from not being modernised, the landowners clearly followed a path of economic and monetary development similar to those of their urban counterparts, despite continuing non-cash payment practices. As Lambrecht has beautifully put into words for the Netherlands: 'The exchange relationship between the farmer and his labourers did not constitute some primitive form of barter. All goods and services were systematically evaluated in monetary terms'.<sup>110</sup>

Lakeview and Theoda show the same practices. For example, Bennett registered a total amount of \$77.41 worth of credit for sharecropper Walter Dodson, at the end of 1872 for the two preceding years. This amount was never paid out in hard currency. Dodson spent it on products in the plantation store.<sup>111</sup> Landlords expressed themselves in the accounts in dollars, while in practice no cash was involved. The disparity between the psychological and the practical monetary development was visible.

The plantation account books do show examples of payments and transactions involving cash. For example, on February 12, 1881, Antoine Alexander, sharecropper at Lakeview plantation, brought cotton worth of \$20.70 to the store and he received – after deducting his expenses in the

<sup>106</sup> Ibidem, 16.

<sup>107</sup> R. Higgs, *Competition and coercion: blacks in the American Economy, 1865-1914* (1980); M. Wayne, *Reshaping of plantation society: the Natchez district, 1860-1880* (Baton Rouge, 1983); Wiener, 'Planter-merchant conflict', 86; B.I. Wiley, *Southern Negroes, 1861-1865* (Baton Rouge 1938) 234.

<sup>108</sup> Bull, 'The general merchant', 51.

<sup>109</sup> LLMVC, GWBABP, Correspondence; SASC, FCR.

<sup>110</sup> Lambrecht, 'Agricultural labour markets', 244.

<sup>111</sup> LLMVC, GWBABP, Correspondence 1871-1872, Walter Dodson to G.W. Bennett.

plantation store – \$10.45 in cash to settle his account. In some cases the labourers clearly had to ask for cash when they wanted payment in coin, and when they received cash on credit, landlords charged ten per cent interest.<sup>112</sup>

On the other hand, on November 5 1883, Antoine Alexander settled his account by *paying \$25.15 in cash*.<sup>113</sup> Apparently, the sharecroppers at Lakeview and Theoda paid their rent or debt in the store with cash, with cotton, even different products, or by performing tasks. Moreover, the same thing occurred in the eastern Netherlands, where tenants could pay part of their obligations in cash.<sup>114</sup> Thus, there existed a money flow on the plantation.



*Illustration 2. Plantation token from Lakeview plantation, Frierson Company*

Source: Plantation tokens from the collection of Marty Young, Director of the Pioneer Heritage Center, Louisiana State University, Shreveport.

As mentioned before, the Frierson Company, and George W. Bennett both had their own private money. The money flow was a limited one: an artificial cash flow. The degree of dispersion of tokens in Louisiana is evident in the catalogue *Louisiana trade tokens*, published in 1982 and 1996. It contains 558 pages with descriptions and pictures of tokens used in different types of industries – cotton and sugar plantations, and the lumber industry – and a short history of their use.<sup>115</sup> Old plantation tokens

<sup>112</sup> Seen for 13 labourers in the account book, SASC, FCR, Ledger 1888.

<sup>113</sup> SASC, FCR, Ledger 1880-1883, 2.

<sup>114</sup> Van Cruyningen, *Landgoederen en landschap*, 82.

<sup>115</sup> Crawford et al, *Louisiana trade tokens*.

continue to show up randomly in great numbers in Louisiana. For example, in 2011 a woman found a bag full of tokens in her attic and donated it to the old Cinclare sugar mill in Brusly, Louisiana. At a Flea Market old store tokens were used for decoration, and among friends they serve as poker chips.<sup>116</sup>

Every plantation had its own tokens, and they existed in various shapes, colours, and materials: cardboard, brass, or metal.<sup>117</sup> I found plantation tokens from twelve plantations, and from table 1 it becomes clear that 1 dollar, and 50, 25, 10, and 5 cents were the most common denominations. Welham plantation offers an explanation for the divergent values of tokens. The plantation owner had created tokens with the values 5, 10, 25, 50, and 75 cents, and 1 dollar, because the daily wages of the plantation labourers varied extensively from 50, and 85 cents to \$1, \$1,15, \$1,25, \$1,50, \$1,55 and \$1,75.<sup>118</sup>

Table 1. Frequency of values of plantation tokens

| Values   | Total | %    |
|----------|-------|------|
| 1 cent   | 3     | 7%   |
| 2 cent   | 1     | 2%   |
| 5 cent   | 5     | 11%  |
| 10 cent  | 8     | 17%  |
| 25 cent  | 6     | 13%  |
| 30 cent  | 1     | 2%   |
| 35 cent  | 1     | 2%   |
| 40 cent  | 1     | 2%   |
| 50 cent  | 7     | 15%  |
| 65 cent  | 1     | 2%   |
| 75 cent  | 3     | 7%   |
| 1 dollar | 9     | 20%  |
| Total    | 46    | 100% |

Source: Belmont plantation Scrip, Mss. 2584, LLMVC; Time checks, Uncle Sam Plantation Papers, LLMVC; Tokens St. Joseph Plantations, Vacherie, Louisiana (SJP); Token collection RLM; CARL 31617, Magnolia Plantation Store collection (MPSC), Cane River Creole NHP, Bermuda, Louisiana.

116 Interview with Julia Rose, director of the West Baton Rouge Museum, Port Allen, June 1, 2011; Interview with Marty Young, director of the Heritage Center in Shreveport, Louisiana, October 18, 2011.

117 Round, squared or flower shaped.

118 LLMVC, Keller (Anatole J.) Family Papers, Mss. 2910 (KFP), Volume 16, Payrolls December 1917; RLM, Token collection, Welham store tokens.



John Rodrigue argued he never found any indications that payment in tokens in Louisiana occurred before 1880.<sup>119</sup> However, the oldest coin I have seen dates from 1871 – being used at Theoda – proving that during the Reconstruction period (1865-ca.1877) this practice had already emerged in Louisiana.<sup>120</sup>

In 1908 the tokens system in Louisiana was broken up by the passage of Bill no. 88 or Act 227 of the Louisiana Legislature. It was decided that labourers who were paid in tickets and tokens only redeemable in a certain store, had the right to change this money into United States dollars if they wanted.<sup>121</sup> Section 3 of the bill stated that employers who did not follow this rule would be fined. The legislative process showed that there was little opposition to Bill no. 88. The Committee of Corporations, Parochial and Municipal Affairs was in favour of the Bill and did not make any amendments. Out of a total of 40 people, only two people voted against it, and nine people were absent during the vote. Moreover, the Act was passed in only 38 days. When Robert Campbell Culpepper put Bill 88 into motion, it was his first year in the Louisiana State Senate. Son of a progressive planter, his motivation may have stemmed from practices at his father's plantation.<sup>122</sup>

The passage of a bill forcing employers to grant employees' requests to receive cash for tokens, was no guarantee that the token system would end, however it did decline after 1908. Two former plantation workers, aged 90 and 72, explained in an interview in 2011 that in the 1930s and 1940s they had the option to change tokens to cash if they wished.<sup>123</sup> John B. Rehder is the only historian that has been aware of this practice: '(a plantation labourer K.L.) had the option to receive cash payment for wages earned'.<sup>124</sup> He did not mention what period his statement concerned.

119 Interviews with John C. Rodrigue, Joan Boudraux (tour guide at St. Joseph Plantation and old employee of the plantation store) and David Floyd (director LSU Rural Life Museum).

120 According to John Rodrigue, the Reconstruction period in the southern (sugar) Louisiana lasted until 1877: J.C. Rodrigue, *Reconstruction in the cane fields*. I have found an image of the token from 1871 on the internet: [www.louisiana-trade-tokens.com](http://www.louisiana-trade-tokens.com) (March 13 2012). During my research in Louisiana or in the literature I have not found any tokens with earlier dates.

121 *Acts of the General Assembly of the State of Louisiana at the regular session, begun and held in the city of Baton Rouge on the eleventh day of May: Act 227* (Baton Rouge 1908) 345.

122 W. Culpepper, 'Culpepper family tree'. May 19, 2013, <http://gen.culpepper.com/ss/p4182.htm> (August 12, 2013); A.E. McEnany, *Membership in the Louisiana Senate, 1800-2012* (2008).

123 Interview with Harry Baptiste (74 years old) and Samuel Taylor (90 years old). They worked at sugar plantation Cora in White Castle. August 9, 2011, White Castle. Many thanks go out to Madeline Kessler for helping me and introducing me to them.

124 J.B. Rehder, *Delta sugar. Louisiana's vanishing plantation landscape* (Baltimore 1999) 152.

Why was token money used at the Lakeview and Theoda plantations, while it did not exist on sharecrop farms in the Netherlands? First of all, this might be explained by lack of cash. The oldest plantation token from George W. Bennett dates from 1871; the year he started his own business at Theoda plantation with limited capital available.<sup>125</sup> In Dutch historiography, lack of cash in the economy has not been mentioned.<sup>126</sup>

Another explanation for the use of tokens on Lakeview and Theoda is the size of the companies, or that the owners hired extra workers, and paid *them only* in tokens.<sup>127</sup> Theoda's owner George W. Bennett used wage labourers on his sugar plantation where sharecropping was not practical. Theoda and Lakeview were not the only cotton plantations with private money. I found plantation tokens from fifteen different plantations in Louisiana. Ten of those plantations grew sugarcane, and five grew cotton.<sup>128</sup> Apparently, some sharecroppers received credit in the form of tokens, which they could only spend in the assigned plantation store. According to the catalogue *Louisiana trade tokens*, credit extended to sharecroppers was often in tokens as a form of monthly allowance.<sup>129</sup> Harold Woodman noticed as well that token-money was used at sharecrop plantations.<sup>130</sup>

Another possible explanation for the use of private money in the U.S. South is isolation. Lakeview and Theoda were plantations located far from New Orleans, and until the 1880s were only accessible by water. Theoda was not connected to the railroad until 1882, when the Texas and Pacific Railroad Company connected the plantation to Shreveport and New Orleans.<sup>131</sup> Lakeview was located in a remote part of northwestern Louisiana, near Shreveport. Until the Kansas City Southern Railroad was constructed

125 C.W. Barnum, 'Rapides Parish, Louisiana history and genealogy', *LA AHGP* (2011) 2. <http://www.laahgp.genealogyvillage.com/Bigraphicalmemoirs13/rapidesparishbh2.html> (November 29, 2012).

126 More research is needed to determine whether that was really the case.

127 Woodman, *King cotton*, 302.

128 The nature of one of these plantations with tokens is unknown, its name was Granada. The sugar plantation tokens came from Alma, Antonia, Allendale, Belmont, Greenwood, LaCour, St. Joseph, Uncle Sam, Welham, and Youngsville. The cotton plantation tokens came from Bennett, Frierson, Magnolia, River Lake, and Roque Brothers. LLMVC, Belmont Plantation Scrip; RLM, Tokens collection; West Baton Rouge Museum (WBRM), Token collection; SJP, Tokens, Louisiana; NHP, MPSC; <http://www.louisiana-trade-tokens.com/> (December 20, 2012); <http://creole-n-sula.edu/assets/ve/exhibiti/e10010a.htm> (March 5, 2014).

129 Crawford et al, *Louisiana trade tokens*, 7, 12.

130 Woodman, *New South*, 88.

131 Poor, *Poor's manual*, volume 15 (1882), <http://archive.org/details/poorsmanualofrai5newyuoft> (December 20, 2012).

in 1895, the only link to the outside world was one steamboat pier on a bayou nearby, and before 1892 no steamboat had ever reached that point.<sup>132</sup> The Frierson Company Store was practically speaking the only place in the area to purchase goods.

Steam boats had made it easier to travel, but were a relatively expensive mean of transportation, and many canals and rivers were impassable during winter. In 1848 it took a steamboat four days to travel from Cairo to New Orleans, by train the same distance was covered in 26 hours.<sup>133</sup> Railroads were expensive as well, and travelling remained restricted. Isolation was not an issue in the tobacco cultivation areas in the Netherlands. However, in some industries in the Netherlands, for example the peat bogs in the northeast part of the country, which were located in remote areas, a slightly different variant of private money did exist.<sup>134</sup>

Another difference between the Netherlands and Louisiana is that non-cash payments in Louisiana existed in a society that just abolished slavery, and eventually limited the rights of the freedmen. The consequences of this rightlessness were visible in the labour protests against payments in token money. In the Reconstruction period, former slaves were relatively free, because they were allowed to vote, had the same rights as whites, and with help from the Freedmen's Bureau they could stand up for themselves. After the bureau ceased to exist nationwide in 1869, labourers protested for their rights. An example of this is the Combahee strike in South Carolina in 1876, where labourers from the rice plantations won their demand to be paid in cash.<sup>135</sup>

Not all protests were as successful as the Combahee strike. In 1887, plantation labourers in Louisiana protested for higher wages and against payment in plantation tokens in what became known as the Thibodaux massacre. The strike was brutally beaten down and at least 35 people were killed.<sup>136</sup> This action marked the end of organised labour protest in Louisiana. After the massacre, payment in scrip became more widespread.<sup>137</sup>

132 B. Maxwell, 'Frierson – a trip through time', *Almagest* March 12 (1976) 1-5; SASC, FCR, Ledgers 1878-1974; G. McFarland, 'The town of Frierson and the Frierson company', *North Louisiana History* 1 (2007) 37-52, 39; SASC, FCR Philips, '85-year-old Frierson general store'.

133 D. Haynes, I. Cheung and J. Anderson, *Historical atlas of the North American railroad* (Berkeley 2010) 13, 43; Carnes et al, *Mapping America's Past*, 131.

134 This will be part of my PhD thesis.

135 Sterling, *The trouble they seen*, 287.

136 P.S. Foner and R.L. Lewis, *Vol III: The black worker during the era of the Knights of Labour* (Philadelphia 1978) 136 & 145.

137 R. Halpern, 'Solving the "labour problem": Race, work and the state in the sugar industries of Louisiana and Natal, 1870-1910', *Journal of Southern African Studies* 30 (2004) 19-40.

The Thibodaux massacre shows that for freedmen, unlike for labourers in the Netherlands, token money was combined with a lack of rights. The rights of the freedmen became even more limited after the Jim Crow segregation laws were passed in the 1890s. It became almost impossible for African Americans to vote, and they could not testify in courts, certainly not against a white person. In other words, they did not have a legal framework in which their rights were secured.<sup>138</sup>

All in all, private money was used to re-enslave the former slaves, but the plantations owners also used tokens for practical reasons. The U.S. were a country that was not as unified as the Netherlands, and the planters responded to government legislation, isolation and lack of cash.<sup>139</sup> However, these practical reasons did not prevent labourers from experiencing a feeling of being re-enslaved.

Many details on the payment in private plantation money will remain unknown. How many cash payments occurred in tokens? Could these be exchanged for hard currency if the sharecropper wanted? And if so, how often did this happen? Unfortunately, the plantation owners usually registered everything in the account books as if cash was paid and no tokens were used at all.<sup>140</sup> The details unfortunately are, and will remain, hidden.

## 5 Conclusion

In this article I analyzed non-cash payments in the U.S. South in a way that similar practices in the Netherlands in the same period have been analyzed. I examined whether insights from Dutch, from Roessingh and Lambrecht in particular, research on non-cash payments could shed new light on the plantation account books from Theoda and Lakeview in Louisiana regarding non-cash payments and the monetary culture in the U.S. South, and economic development of Southern agriculture in the period 1865-1908. I also found alternative explanations for the use of token-money, the American literature explaining it only as an effort to re-enslavement the workforce. This article shows that this approach might be fruitful to ex-

<sup>138</sup> C.M. Lewis & J.R. Lewis, *Jim Crow America. A documentary history* (Fayetteville 2009).

<sup>139</sup> W. Cronon, *Nature's metropolis. Chicago and the Great West* (New York & London 1991) 164-165.

<sup>140</sup> However, several times I found notions of 'merchandise check' in the account books from Theoda plantation. More research is needed to determine how often they were used. I will include any findings and conclusions in my dissertation.

plaining non-cash payments and the use of token money in other societies, such as India and Indonesia.

The use of plantation tokens at Lakeview and Theoda showed that the Southern economy was more complex than assumed, because they used both sharecropping and token-money simultaneously. Their account books revealed, just as account books from Dutch sharecrop farms and estates, that sharecropping as such was not by definition pre-modern nor a restraint on economic development. Sharecropping made the farm or plantation more resistant to price changes of the crop, and made it more sustainable in unfavourable economic times. Sharecropping was not a 'backward' institution, but a precondition for the success of the cultivation of cash crops. Furthermore, Garrett Jr. and Xu have shown that sharecropping was an efficient production method, even though it involved mainly non-cash payments. Sharecropping was more productive, more flexible, and more adaptive than other agricultural production methods.

The plantation account books from Theoda and Lakeview reveal that although a one-crop economy existed on paper, in reality it was not as static. Sharecroppers produced other products besides cotton, and were able to use those products to lower their debts, a situation comparable to what happened in the Netherlands. Account books from Lakeview plantation confirm this: sharecroppers found several other non-cash ways to pay the rent or their debts, and the plantation owner accepted these payments. Sharecropping was not as one-sided as is generally assumed. Sometimes the sharecroppers paid their rent or debt in the store with cash, sometimes with cotton, or even with a different product or by working for the landlord.

Occasionally sharecroppers received money from the plantation owner. An artificial private cash flow existed at both plantations. Even if transactions did not take place in private currency, but in kind, the plantation owners at Theoda and Lakeview plantations registered all amounts in monetary terms. Thus, in their minds, tokens took the place of money. The plantations developed in the direction of a modern monetary economy, despite the existence of sharecropping as a labour system. The monetary culture expanded further in the minds of the plantation owners than was possible in practice. Similar practices were visible in Dutch account books from landowners. Thus, the dichotomy between a natural and a monetary economy should not be maintained.

Private money was used widely in the U.S. South in the period from 1865 onwards. Employers created a considerable amount of money. The use of plantation tokens was a response to monetary problems, economic crises,

and isolation, but not a cause, nor a sign, of a lack of economic development. When the United States suffered from a lack of coins, employers created their own money. The Congress forbade the payment in small denomination private money directly exchangeable for cash. Thus, juridical necessity stimulated employers to issue tokens which were only exchangeable for merchandise. This practice was not forbidden in Louisiana until 1908.

More research is needed to support these statements for other large plantation companies in the entire U.S. South, as well as for smaller farms. The combination of non-cash payments with geographical isolation, illiteracy, and the lack of rights the black sharecroppers or wage labourers experienced, gave non-cash payments a cruel dimension, and enabled renewed forms of exploitation. Nevertheless, it is my contention that non-cash payments – token-money and sharecropping – arose out of necessity, and were *in itself* not a sign of a pre-modern and underdeveloped economy. Consequently, the pre-modernity of the U.S. South should not be attributed to non-cash payments.

## About the author

**Karin Lurvink** (1987) is affiliated to the VU University Amsterdam as a PhD-researcher (2011-2016). Her research compares the truck system in the peat areas in the Netherlands with cotton and sugar plantations in Louisiana in the period 1865-1920. Her masters in Global History at the VU included one semester of Graduate School at the Louisiana State University, and a research internship at the slavery institute Ninsee, which resulted in a theatre play in 2013. Lurvink teaches at the VU, and obtained her University Teaching Qualification (BKO).

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